

CHARTER TOWNSHIP OF UNION
Fee Schedule Analysis
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Submitted Respectfully by:
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INTRODUCTION

This report summarizes the analysis completed by Utility Financial Solutions (UFS) to determine the cost of providing specific services to customers of Charter Township of Union. The following steps were followed to complete the analysis:

Steps to Complete Analysis

1. Calculated current fees using standard costing methods
2. Applied administration and overhead rates
3. Recommended changes to existing fee schedule

Overhead and Benefit Charges

The analysis required overhead rates be applied to the operational costs calculated in the study. The table below is the overhead and benefits rates applied in the analysis.

Table One – Overhead and Benefits Applied in Analysis

Assumptions	
MARGIN	7.0%
Overhead	10.0%
Overtime rate multiplier (1.5x)	50.0%
Call-out minimum time (Hours)	2.00

Table Two - Results Summarized

Service Provided	COS	Current Fee	Three Year Phase-in		
			Year 1	Year 2	Year 3
Water Bulk Rate	\$5.00 per 1,000 Gal; \$500 Deposit	\$5.00 per 1,000 Gal; \$500 Deposit			
Water Hook Up 5/8" meter	\$ 1,648.77	\$1,325 (1" Service)	\$ 1,435.00	\$ 1,545.00	\$ 1,650.00
Inspection Fees	\$ 117.25 ▼	\$60 Per hour	\$78 per hour	\$98 per hour	\$117 per hour
Turn On/Off	\$ 91.03 ▲	\$20	\$ 45.00	\$ 68.00	\$ 91.00
Turn On/Off After hours	\$ 194.97 ▲	\$50	\$ 98.00	\$ 146.00	\$ 195.00
Turn On/Off Non-Payment	\$ 165.48 ▲	\$30	\$ 75.00	\$ 120.00	\$ 165.00
Final Read	\$ 78.52 ▲	\$15	\$ 36.00	\$ 57.00	\$ 78.00
Fire Flow Test	\$ 290.56 ▲	\$150	\$ 190.00	\$ 240.00	\$ 290.00
OPTIONAL: RETURN Check fee	\$ 98.71 ▲	\$0	\$ 33.00	\$ 66.00	\$ 99.00

Recommendations

UFS recommends adoption of the proposed fees over a three-year phase-in to reflect the cost of rendering services. The fees used are for specific services rendered and will not affect all users of the system on a regular basis, only when these specific services are requested/required.

DETAILED CALCULATIONS

A <u>Water Bulk Rate</u>	
Personnel needed	1.00
Pay	37.53
Average length of time	2.00
Total Labor	75.05
Total labor and benefits	114.04
Cost of materials	-
Vehicle cost per trip	18.78
Overhead	13.28
Margin	10.23
Total Fee per application	\$ 156.33

B <u>Water Hook Up 5/8" meter</u>	
Personnel needed	4.00
Pay (/hr)	35.53
Over-time pay (additional \$/hr)	-
Average length of time	4.00
Vehicle length of time	4.00
Total Labor	568.41
Total Overtime	-
Total labor and benefits	870.64
Cost of materials	454.63
Vehicle cost per trip	75.56
Overhead	140.08
Margin	107.86
Total Fee per application	\$ 1,648.77

C <u>Inspection Fees</u>	
Personnel needed	1.00
Pay	37.53
Average length of time	1.50
Total labor	56.29
Total labor and benefits	85.53
Cost of materials	-
Vehicle cost per trip	14.09
Overhead	9.96
Margin	7.67
Total Fee per application	\$ 117.25

D <u>Turn On/Off</u>	
Personnel needed	1.00
Pay	25.39
Average length of time	1.50
Total labor	38.09
Total labor and benefits	63.25
Cost of materials	-
Vehicle cost per trip	14.09
Overhead	7.73
Margin	5.96
Total Fee per application	\$ 91.03

**Charter Township of Union
Fee Schedule Analysis**



<u>E Turn On/Off After hours</u>	
Personnel needed	1.00
Pay	37.53
Over-time pay (additional \$/hr)	18.76
Average length of time	2.00
Vehicle length of time	1.50
Reg Labor	75.05
Total Overtime	37.53
Total labor and benefits	151.57
Cost of materials	-
Vehicle cost per trip	14.09
Overhead	16.57
Margin	12.76
Total Fee per application	\$ 194.97

<u>F Turn On/Off Non-Payment</u>	
Personnel needed	2.00
Pay	25.39
Average length of time	1.50
Total Labor	76.18
Total labor and benefits	126.51
Vehicle cost per trip	14.09
Overhead	14.06
Margin	10.83
Total Fee per application	\$ 165.48

<u>G Final Read</u>	
Personnel needed	1.00
Pay	19.02
Over-time pay (additional \$/hr)	-
Average length of time	1.50
Vehicle length of time	1.50
Total Labor	28.53
Total Overtime	-
Total labor and benefits	52.62
Vehicle cost per trip	14.09
Overhead	6.67
Margin	5.14
Total Fee per application	\$ 78.52

<u>H Fire Flow Test</u>	
Personnel needed	2.00
Pay	37.53
Average length of time	2.00
Total labor	150.10
Total labor and benefits	228.08
Cost of materials	-
Vehicle cost per trip	18.78
Overhead	24.69
Margin	19.01
Total Fee per application	\$ 290.56

<u>I OPTIONAL: RETURN Check fee</u>	
Personnel needed	1.00
Pay	21.36
Average length of time	2.00
Total labor	42.72
Total labor and benefits	73.87
Cost of materials	10.00
Vehicle cost per trip	-
Overhead	8.39
Margin	6.46
Total Fee per application	\$ 98.71